

107TH CONGRESS
2D SESSION

S. 2915

To provide for cancellation of student loan indebtedness for spouses, surviving joint debtors, and parents of individuals who died or became permanently and totally disabled due to injuries suffered in the terrorist attack on September 11, 2001.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 9, 2002

Mr. SCHUMER (for himself, Mrs. CLINTON, Mr. TORRICELLI, and Mr. CORZINE) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To provide for cancellation of student loan indebtedness for spouses, surviving joint debtors, and parents of individuals who died or became permanently and totally disabled due to injuries suffered in the terrorist attack on September 11, 2001.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CANCELLATION OF STUDENT LOAN INDEBTED-**
4 **NESS FOR SPOUSES, SURVIVING JOINT DEBT-**
5 **ORS, AND PARENTS.**

6 (a) DEFINITIONS.—For purposes of this section:

1 (1) ELIGIBLE PUBLIC SERVANT.—The term “el-
2 ible public servant” means an individual who—

3 (A) served as a police officer, firefighter,
4 other safety or rescue personnel, or as a mem-
5 ber of the Armed Forces; and

6 (B) died (or dies) or became (or becomes)
7 permanently and totally disabled due to injuries
8 suffered in the terrorist attack on September
9 11, 2001;

10 as determined in accordance with regulations of the
11 Secretary.

12 (2) ELIGIBLE VICTIM.—The term “eligible vic-
13 tim” means an individual who died (or dies) or be-
14 came (or becomes) permanently and totally disabled
15 due to injuries suffered in the terrorist attack on
16 September 11, 2001, as determined in accordance
17 with regulations of the Secretary.

18 (3) ELIGIBLE SPOUSE.—The term “eligible
19 spouse” means the spouse of an eligible public serv-
20 ant, as determined in accordance with regulations of
21 the Secretary.

22 (4) ELIGIBLE SURVIVING DEBTOR.—The term
23 “eligible surviving debtor” means an individual who
24 owes a Federal student loan that is a consolidation
25 loan that was used, jointly by that individual and an

1 eligible victim, to repay the Federal student loans of
2 that individual and of such eligible victim.

3 (5) ELIGIBLE PARENT.—The term “eligible
4 parent” means the parent of an eligible victim if—

5 (A) the parent owes a Federal student loan
6 that is a consolidation loan that was used to
7 repay a PLUS loan incurred on behalf of such
8 eligible victim; or

9 (B) the parent owes a Federal student loan
10 that is a PLUS loan incurred on behalf of an
11 eligible victim who became (or becomes) perma-
12 nently and totally disabled due to injuries suf-
13 fered in the terrorist attack on September 11,
14 2001.

15 (6) SECRETARY.—The term “Secretary” means
16 the Secretary of Education.

17 (7) FEDERAL STUDENT LOAN.—The term
18 “Federal student loan” means any loan made, in-
19 sured, or guaranteed under part B, D, or E of title
20 IV of the Higher Education Act of 1965.

21 (b) RELIEF FROM INDEBTEDNESS.—

22 (1) IN GENERAL.—The Secretary shall provide
23 for the discharge or cancellation of—

24 (A) the Federal student loan indebtedness
25 of an eligible spouse;

1 (B) the consolidation loan indebtedness of
 2 an eligible surviving debtor;

3 (C) the portion of the consolidation loan
 4 indebtedness of an eligible parent that was in-
 5 curred on behalf of an eligible victim, if the
 6 amount of such indebtedness with respect to
 7 such eligible victim may be reliably determined
 8 on the basis of records available to the lender;
 9 and

10 (D) the PLUS loan indebtedness of an eli-
 11 gible parent that was incurred on behalf of an
 12 eligible victim described in subsection (a)(5)(B).

13 (2) METHOD OF DISCHARGE OR CANCELLA-
 14 TION.—A loan required to be discharged or canceled
 15 under paragraph (1) shall be discharged or canceled
 16 by the method used under section 437(a), 455(a)(1),
 17 or 464(c)(1)(F) of the Higher Education Act of
 18 1965 (20 U.S.C. 1087(a), 1087e(a)(1),
 19 1087dd(c)(1)(F)), whichever is applicable to such
 20 loan.

21 (c) FACILITATION OF CLAIMS.—The Secretary
 22 shall—

23 (1) establish procedures for the filing of appli-
 24 cations for discharge or cancellation under this sec-
 25 tion by regulations that shall be prescribed and pub-

1 lished within 90 days after the date of enactment of
2 this Act and without regard to the requirements of
3 section 553 of title 5, United States Code; and

4 (2) take such actions as may be necessary to
5 publicize the availability of discharge or cancellation
6 of Federal student loan indebtedness for eligible
7 spouses, eligible surviving debtors, and eligible par-
8 ents under this section.

9 (d) AVAILABILITY OF FUNDS FOR PAYMENTS.—
10 Funds available for the purposes of making payments to
11 lenders in accordance with section 437(a) for the dis-
12 charge of indebtedness of deceased or disabled individuals
13 shall be available for making payments under section
14 437(a) to lenders of loans to the eligible spouses, eligible
15 surviving debtors, and eligible parents as required by this
16 section.

17 (e) APPLICABLE TO OUTSTANDING DEBT.—The pro-
18 visions of this section shall be applied to discharge or can-
19 cel only Federal student loans (including consolidation
20 loans) on which amounts were owed on September 11,
21 2001.

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